

January 3, 2011

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subj: Application for Phase II and Phase III Bond Release of the Deer Creek Mine, 9th East Portal Area, PacifiCorp, Deer Creek Mine, C/015/0018, Emery County, Utah

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West"), as mine operator, hereby submits an application for Phase II and Phase III bond release of the Deer Creek Mine, 9th East Portal area. The said area covered by the bond is approximately 0.6 acres and is located in SW1/4 SE1/4 Section 22, Township 17 South, Range 7 East, SLB&M. This area has met the regulations of the R645 Utah Coal Rules in regards to both Phase II and III bond release (R645-301-880.310).

The information included with this application provides documentation as required by Directive Number: Tech-006 and the R645-301-800 Utah Coal Regulations. This information is included as Attachments 1 through 11 and as follows:

General Information for Bond Release

- Attachment 1: Notarized Signature
- Attachment 2: Draft Letters to Interested Parties
- Attachment 3: Draft Newspaper Advertisement
- Attachment 4: Legal Description and Site Map
- Attachment 5: Reclamation Treatments Utilized
- Attachment 6: Deer Creek Mine, 9th East Portal Site General History of Mining and Reclamation Activities
- Attachment 7: Current Total Bond Amount and Incremental Amount Requested for Release

Information for Phase II Bond Release

- Attachment 8: Vegetation Analysis for Last Two Years of Responsibility
- Attachment 9: Demonstration that Area is Not Contributing Suspended Solids Outside Permit Area

Information for Phase III Bond Release

- Attachment 10: Demonstration that Responsibility Period has been Met
- Attachment 11: Demonstration that Post Mining Land Use has been Achieved

File in:

C/0150018

Date

01/11/2011

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For additional information

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When Phase III Bond Release procedures are complete and application approved, the Deer Creek Mine MRP and Legal/Financial Volumes will be revised to reflect the changes to the mining and reclamation permit. The required C1 form is included with this application. Additional information for this site can be reviewed in the application for Phase I Bond Release of the Deer Creek Mine, 9th East Portal Area approved July 31, 2007 (C/015/018-Task ID #2755) contained in your files. If you have any questions or concerns regarding the enclosed information, please contact Dennis Oakley at 435-687-4825.

Sincerely,

A handwritten signature in black ink that reads "Kenneth S. Fleck". The signature is written in a cursive style with a large, stylized 'K'.

Ken Fleck

Geology and Environmental Affairs Manager

Enclosures: C1 Form
Attachments 1 through 11

Cc: Scott Child w/o attachments (Interwest Mining Company)
DOGM, PFO w/attachments
file

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☒ Transfer ☐

Permittee: PacifiCorp

Mine: Deer Creek Mine

Permit Number: C/015/0018

Title: Application for Phase II and III Bond Release for the Reclaimed Areas of the Deer Creek Mine Site, PacifiCorp, C/015/0018

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: to be decided later ☐ increase ☒ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☒ Yes ☐ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Kenneth Fleck
Print Name

Kenneth S. Fleck
Sign Name, Position, Date

Manager of Environmental Affairs JAN 3, 2011

Subscribed and sworn to before me this 3rd day of January, 20 11

Chris M. Christensen
Notary Public

My commission Expires: April 24, 2011

Attest: State of UTAH } ss:
County of Emery



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